

***ACCOUNTANT'S Affidavit***

October 18, 2023

Board of Directors  
Water's Edge Metropolitan Districts 1-2  
c/o White, Bear, Ankele, Tanaka & Waldron, P.C.  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

Re: Developer Reimbursement of oversized improvements

This report summarizes the results of the procedures we have performed related to substantiation that the District has not accepted costs nor reimbursed Waters' Edge Developments, Inc. (the "Developer") for costs relating to oversized improvements to portions of Brightwater Drive, Morningstar Way, and Turnberry Road, and streets, curb, and sidewalk, around the park located centrally in the Districts

The Developer has submitted documentation of \$18,320,797.64 of expenditures for the District Eligible Improvements consisting of invoices and other supporting documentation as outlined in the Engineer's Report and Verification of Costs Associated with Public Improvements No. 9 ("Report No. 9").

Schedio Group LLC, ("Schedio Group"), the District's independent engineer, has reviewed certain underlying documentation and has submitted an Engineer's Verification verifying \$18,320,797.64 as being for soft, indirect and hard costs associated with the design and construction of Public Improvements and therefore eligible for Developer Reimbursement. According to Report No. 9, certain of those costs relate to the oversized improvements to portions of Brightwater Drive, Morningstar Way, and Turnberry Road, and streets, curb, and sidewalk around the park located centrally in the Districts ("Oversize Costs"). \$612,027 of the above-referenced Oversize Costs have been identified by City of Fort Collins Staff as reimbursable by the City in accordance with the City's oversizing reimbursement policy ("City-Reimbursable Oversize Costs"), and said City-Reimbursable Oversize Costs are not eligible to be acquired by the Water's Edge Metropolitan Districts Nos. 1-5 or reimbursed to the Developer. None of Waters' Edge District Nos. 1-5 have reimbursed the Developer for the above-referenced City-Reimbursable Oversize Costs, nor have Waters' Edge Metropolitan District Nos. 1-5 acquired the improvements associated with said City-Reimbursable Oversize Costs.

We have reviewed certain underlying documentation supporting Report No. 9 as necessary and appropriate, in accordance with accounting principles generally accepted in the United States of America, to verify the accuracy of the cost summary set forth in Report No. 9. I have discussed the allocation of costs relating to various invoices with Schedio Group, to determine the reasonableness of the allocation.

We were not engaged to and did not conduct an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which would be the expression of an opinion on the financial statements of the District. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the American Institute of Certified Public Accountants' Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are not independent with respect to the District.



Simmons & Wheeler, P.C.